

Council on Postsecondary Education
May 20, 2002

Executive Summary

4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

The staff recommends that the council amend the 2002-04 list of eligible projects for agency bond authority to include the Eastern Kentucky University \$10.5 million high voltage electrical distribution system project. The staff also recommends that the council request that the Governor and the General Assembly provide at least a \$41.8 million agency bond pool authorization for 2002-04. (For details, see page 87.)

Eastern Kentucky University has requested that the council amend the 2002-04 list of projects eligible for agency bond authority to include a \$10.5 million emergency project to upgrade and replace portions of the primary electrical distribution system. The campus is experiencing major electrical outages. Electrical service has been temporarily restored to the campus using a combination of institutional and state funds but a longer-term solution is needed. If the council amends the list, the \$10.5 million project would be eligible to be funded from the council administered agency bond pool. For this reason, the council should request that the pool be increased from \$31.3 million to \$41.8 million.

The Kentucky Innovation Act, passed by the 2000 General Assembly, assigned to the council oversight of four initiatives to stimulate research and development, university-business

collaboration, and rural involvement in high-technology growth: the Research and Development Voucher Program, the Commercialization Program, the Rural Innovation Program, and Regional Technology Corporations. The section of the Act that created the regional technology corporations was repealed in the 2002 regular session and the RTC's were recreated as satellites to Innovation and Commercialization Centers, managed by the Office for the New Economy.

The Act also designated the council as the pass-through agent for the Kentucky Science and Engineering Foundation, and the Kentucky Experimental Program to Stimulate Competitive Research.

In accordance with the Act, the council contracted with the Kentucky Science and Technology Corporation to conduct an entrepreneurial audit and administer the programs assigned to it. KSTC completed the audit and published its findings last fall. KSTC also published requests for proposals for each of the programs, received and reviewed applications, and selected grant recipients based on the criteria approved by the council last summer. Grants have been awarded to 55 applicants and total \$3,510,000.

House Bill 525, enacted in the 2002 session, directs the council to continue to contract with KSTC to administer the programs. But it also gives the Office for the New Economy authority to approve these contracts with regard to the structure and funding levels of the programs. The council staff currently is negotiating 2002-04 contracts with KSTC and will submit them to the Office for the New Economy for approval in May 2002. Although it is redundant, we expect to bring them to you for approval in July.

The public universities have submitted their annual reports on the endowment match program for the fiscal year ended June 30, 2001. The institutional summary reports are presented in a separately bound document transmitted with this agenda book. A synopsis of the reports has been prepared by the council staff and is the front of the document.

The Chief Academic Officers held a second Teacher Education Summit at Centre College April 4-5. The Association of Independent Kentucky Colleges and Universities again co-sponsored the meeting. Over 100 faculty members from education departments and the arts and sciences, deans from all public universities and the KCTCS, and representatives of the independent institutions attended. The meeting also included participants from the Education Professional Standards Board, the Kentucky Department of Education, the Prichard Committee for Academic Excellence, the Partnership for Kentucky Schools, AIKCU, and the council.

Discussion focused on teacher shortages, especially in special education; preparation of future and current teachers to address student reading problems at all levels; and preparation of principals and superintendents. Members of the council staff will be available to discuss the summit with you if you have any questions, and to review in greater detail plans for the coming year.

This fall the Cabinet for Workforce Development began work on a labor demand survey to which the council staff added a number of questions. These questions were designed to gauge employer's needs for employees based on levels of education (certificate, associate degree,

bachelor's degree, etc.) and major field of academic study. The cabinet expected to release preliminary results in February. Progress on the project has been delayed by several factors. The joint UK/UofL research team administering the survey has had difficulty gathering a sufficient number of employer responses. The responses they have received so far have not yielded clear indicators of employer need. For example, employers are identifying hard to fill occupations and at the same time indicating they have no openings in those fields. While the researchers are continuing to work on the data, preliminary analysis suggests the recent recession may have distorted employers' responses. Representatives from the Cabinet for Workforce Development and the research team will attend a council meeting later this year to share their final report.

We bring you two additional summaries – one on the discussion about collaboration that took place with the Chief Academic Officers and council members at the conclusion of the March council meeting (see page 89); and one on the memorandum of agreement with the KYVU, the KCTCS, and the West Virginia Higher Education Policy Commission (see page 91).